

information sheet

BONITAS MERGER WITH PRO SANO

August 2012

BONITAS AND PROSANO AGREE TO MERGE

The trustees of both Bonitas Medical Fund and Pro Sano have agreed to a proposed amalgamation of the two schemes. The proposed merger has been initiated by the trustees of Pro Sano, a scheme which from 2007 to 2010 was under curatorship for governance issues.



bonitas
medical fund
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EXTENSIVE SEARCH

The Pro Sano trustees have followed an extensive process to find a suitable merge partner, given the fact that the scheme has a well documented adverse risk profile (older) and declining membership.

The curator of Bonitas (MJ Maluleke), has the view that the amalgamation is feasible given the similar demographics and synergies to be achieved through the process.

KEY FIGURES

Solvency Ratio (as at end 2011):

As at April 2012

bonitas
medical fund
37.3%

ProSano
MEDICAL FUND
25.2%

Principal members:

272,154

27,362

Total membership:

599,555

57,100

Average beneficiary age:

31.6

41.4

Chronic ratio:

12.3%

25.9%

Pensioner Ratio:

5.0%

15.4%

Beneficiaries per principal:

2.20

2.09

BONITAS POST MERGER ASSUMPTIONS

- Less than 1% impact on Bonitas solvency level in 2012
- Bonitas risk management strategy is not going to change
- Non healthcare expenses to increase by 6%
- Projected surplus of R127m for 2013
- Solvency ratio to decline to 32.6% (2013), 30.5% (2014) and 28.8% (2015)

PROCESS

- Pro Sano members will be incorporated into Medscheme administration with effect from 01 October 2012
- From 01 January 2013, only one option of Pro Sano (ProClassic), will be retained.
 - All other Pro Sano options will be closed and members defaulted to Bonitas options.
 - Pro Sano members will have the opportunity of selecting any Bonitas option.
- One Pro Sano trustee (to be decided) will be added to the Bonitas trustees once the Bonitas curatorship is lifted.

HEALTHGROUP COMMENTS

Whilst the merge is in the best interest of Pro Sano members, the Bonitas actuary commented that it would not negatively impact the sustainability of Bonitas into the future. The only significant advantage for Bonitas members is an additional option in 2013.

